



**Welcome to the  
Department of Defense**

Welcome to the Department of Defense.

## We are America's ...

- Oldest company
- Largest company
- Busiest company
- Most successful company



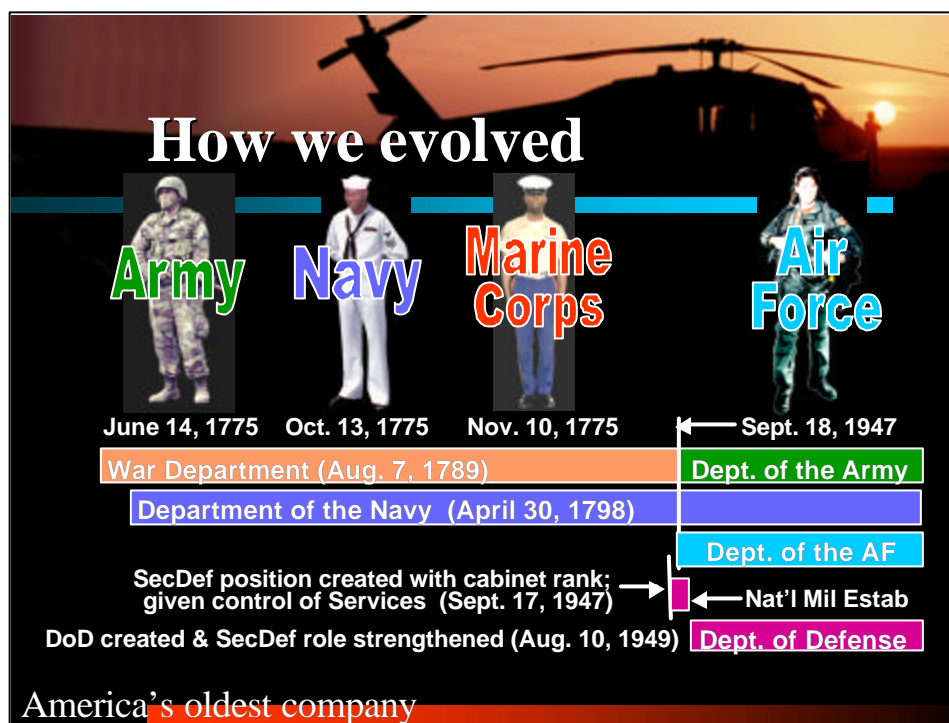
With our military units tracing their roots to pre-Revolutionary times, you might say that we are America's oldest company. And if you look at us in business terms, many would say we are not only America's largest company, but its busiest and most successful.

## We are America's ...

- Oldest company
- Largest company
- Busiest company
- Most successful company

The collage consists of three distinct photographs. The top-left photo shows a soldier in a red beret and camouflage uniform working on the side of a helicopter. The bottom-left photo shows a group of soldiers in camouflage uniforms marching in formation. The right-side photo shows a soldier in a red beret, sunglasses, and a tactical vest, holding a rifle and looking towards the camera.

There is no other company in the world that can take a group of new employees, from a wide variety of backgrounds, and in less than three months make them part of a cohesive, organized and productive work team. They will be well trained, highly motivated and very fit. They will treat others with dignity and respect, and will willingly obey their leaders.



Our military services are older than our country, with the Army laying claim to be the oldest, soon followed by the Navy and Marine Corps. The War Department was formed in 1789; nine years later the Navy formed its own department to manage Naval and Marine Corps affairs, with the Army remaining under the War Department. That's the way it stayed up until the end of World War II. However, our experiences during that conflict proved that unified control of the military at the national and major command levels was critical to national defense.

In 1947 Congress established a civilian Secretary of Defense with cabinet rank -- created a new overarching department called the National Military Establishment -- created a new service -- the Air Force -- with its own department -- and converted the War Department to the Department of the Army. Congress also put the three services under the Secretary's direct control. To further consolidate authority, a 1949 amendment to the Act established the agency as an executive department, renamed it the Department of Defense and withdrew cabinet level status for the three Service secretaries.



For the past 50 years this national security structure has remained essentially intact.



## 5.1 million strong

- 1.4 million active duty
- 672,000 civilians
- 1.3 million Guard and Reserve
- 1.8 million retirees & families receiving benefits

America's largest company

We are the nation's largest employer, with 1.4 million men and women on active duty, 672,000 civilians and another 1.28 million volunteers serving in the Guard and Reserve. We also support 1.8 million retirees and families that are receiving benefits.



## Our global infrastructure

- 600 fixed facilities
- 40,000 properties
- 18 million acres
- 250,000 vehicles
- 15,000 aircraft
- 550 public utility systems
- 1,000 oceangoing vessels

America's largest company

Whether on land or at sea, no other company can match our size. Our employees are located at about 600 fixed facilities and more than 40,000 properties amounting to 18 million acres of land. These include 250 major installations. We operate some 250,000 vehicles, from trucks to tanks, maintain a fleet of over 15,000 aircraft and more than 1,000 oceangoing vessels from aircraft carriers to landing craft. We also operate 550 public utility systems.

# Worldwide presence


- More than 130 countries
- Some 247,000 personnel overseas or afloat



America's largest company

Today we have employees located in more than 130 countries; some 247,000 troops and civilians are overseas both afloat and ashore. We operate in every time zone and in every climate.





**As a comparison ...**

<u>Company</u>	<u>Budget/ Revenue*</u>	<u>Employees*</u>	<u>Bases/ Plants*</u>
<b>DoD</b>	<b>\$270 billion</b>	<b>2,043,000</b>	<b>588</b>
<b>ExxonMobil</b>	<b>165 billion</b>	<b>123,000</b>	<b>117</b>
<b>Ford</b>	<b>163 billion</b>	<b>345,000</b>	<b>183</b>
<b>GM</b>	<b>144 billion</b>	<b>388,000</b>	<b>358</b>
<b>GE</b>	<b>112 billion</b>	<b>340,000</b>	<b>350</b>

America's largest company

*\* 1999 Fortune 500 & corporate data*

We're busier than just about all of the nation's largest companies in terms of people and operations.

# Our headquarters

- **Pentagon - facts and figures**
  - Construction: 16 months/\$83 million
  - Corridors: 17-1/2 miles
  - Employees: 23,000
  - Bldg. size: 29 acres
  - Office space: 3.8 m ft<sup>2</sup>
  - Parking space: 67 acres
  - Circumference: 9/10th mile



America's largest company

Our headquarters is the nation's largest office building under one roof. It took only 16 months to build and was completed in January 1943.

## Every month we ...

- Cut 5 million paychecks
- Take 920,000 contract or purchase actions
- Fit 50,000 pairs of boots
- Serve 3.4 million meals

America's busiest company



We are also the nation's busiest company. Every month we cut 5 million paychecks, take 920,000 contract or purchase actions, fit our troops with 50,000 pairs of boots and serve 3.4 million meals.



## On any given day we ...

- Buy enough fuel to drive car around world 13,000 times
- Maintain 12,000 miles of waterways
- Operate 24% of U.S. hydropower capacity
- Manage 225 high schools and elementary schools
- Provide day care for more than 200,000 children



America's busiest company

On any given day we buy enough fuel to drive a car around the world 13,000 times, maintain 12,000 miles of waterways, operate 24 percent of the nation's hydropower capacity, manage 225 schools and provide day care for 200,000 children. We are the world's largest employer-sponsored day care provider and have been recognized by the White House as a model for others to follow.

## Last year we ...

- Recruited 202,000 military and hired 5,100 civilians
- Separated 155,000 military and 15,000 civilians
- **18.4 % turnover**



America's busiest company

*FY 99 figures*

Last year we recruited 207,000 new employees and separated about 170,000 employees; that's more than a one-quarter turnover of our uniformed personnel and a 3 percent turnover of our civilians, which comes to 18.4 percent of our entire work force.



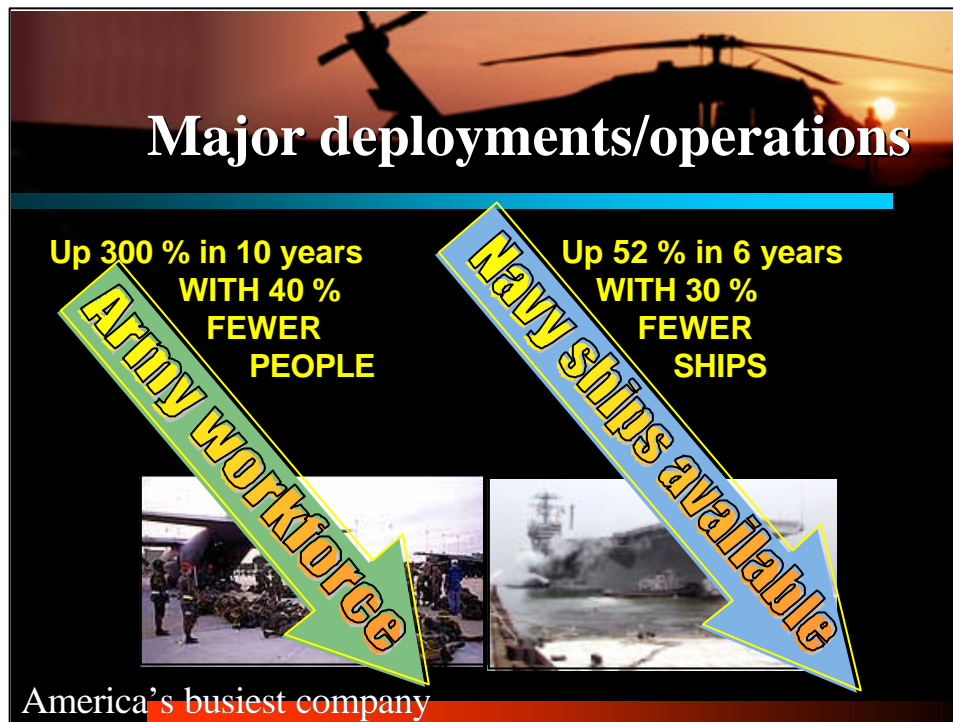
Although the end of the Cold War implied a less dangerous world, this has not been the case. Despite the demise of the Soviet Union, and the downsizing of the U.S. military, American operational commitments since 1990 have made us busier than ever.

This map reflects our military's operational tempo from the end of the Cold War through last year -- 99 major commitments of Americans in uniform, both active and reserve, to virtually every corner of the globe. Those marked in yellow are multi-year operations.



The impact these commitments have had on our military has been unrelenting -- our Army deployments have increased 300 percent in the past 10 years and in the last six years the number of deployed Navy ships on any given day has increased by 52 percent. And since 1986 the number of Air Force deployments has quadrupled.





And while those commitments were increasing the number of soldiers and civilians in the Army was being reduced by 40 percent and the number of ships in the Navy fell by 30 percent. And the Air Force lost one-third of its people.



# Emergency deployments

- Venezuela ... Mozambique ... South Africa

**The rivers have burst their banks ... 74 cases of Cholera have been registered ... local director of health says "we are on the verge of a large-scale epidemic!"**

AIR MOBILITY COMMAND

America's busiest company



Planned commitments are further affected by those of an emergency nature, such as the disaster relief support we are providing to the flash flooding in Venezuela, southern Mozambique and South Africa ...

# Emergency deployments

- East Timor



America's busiest company

... in East Timor, where we have undertaken peacekeeping and humanitarian relief efforts ...




... and in Kosovo, where NATO is responding to ethnic cleansing and genocide.



These increasing commitments have not only affected our active forces. Last year alone some 235,000 Guardsmen and Reservists, averaging 19 days each, deployed overseas performing duties ranging from humanitarian and peacekeeping missions to readiness training. Some 325,000 deployed in the U.S. to support domestic priorities such as counter drug operations and natural disaster assistance, averaging 22 days each. Over the past 10 years the number of days these patriots served on active duty increased 13 fold!

## On the home front

- From 1994-98:
  - 285 federal disasters or emergency declarations
- From 1997-98:
  - 616 National Guard commitments
- From 1992-96:
  - 9,937 requests for military support to civilian law enforcement



America's busiest company

Just on the home front -- our level of support has been hectic. Over these selected periods we responded to almost 300 disasters, more than 600 National Guard commitments and almost 10,000 requests from law enforcement agencies.



To carry out these missions, we seek out the nation's best and brightest. And we do that pretty well. 96 percent of our employees have high school diplomas versus 87 percent of the national work force, and 6.3 percent of our troops have masters degrees versus 5.7 percent of the national work force.



**We instill values**

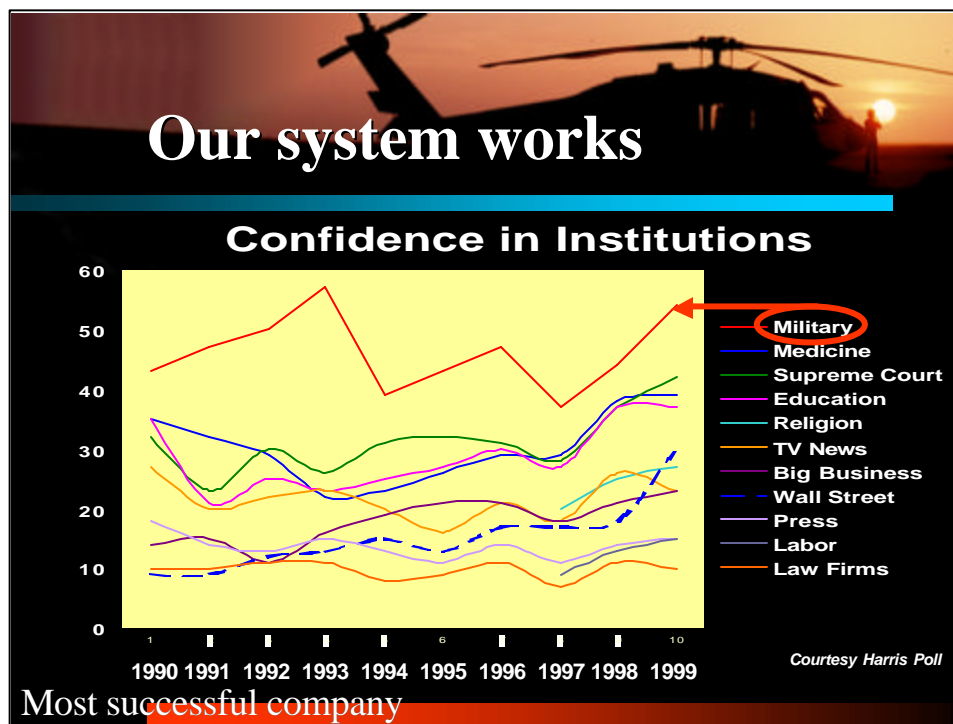
- **Duty**
- **Integrity**
- **Ethics**
- **Honor**
- **Courage**
- **Loyalty**

**Leadership**  
**Professionalism**  
**Technical Know-how**

**Core Values**

Most successful company

Even with top notch recruits we would not be successful if we didn't provide leadership, professional development and technical training throughout their careers, and constantly build and reinforce the core values that everyone wearing a uniform must live by ... such as -- duty -- integrity -- ethics -- honor -- courage and loyalty.

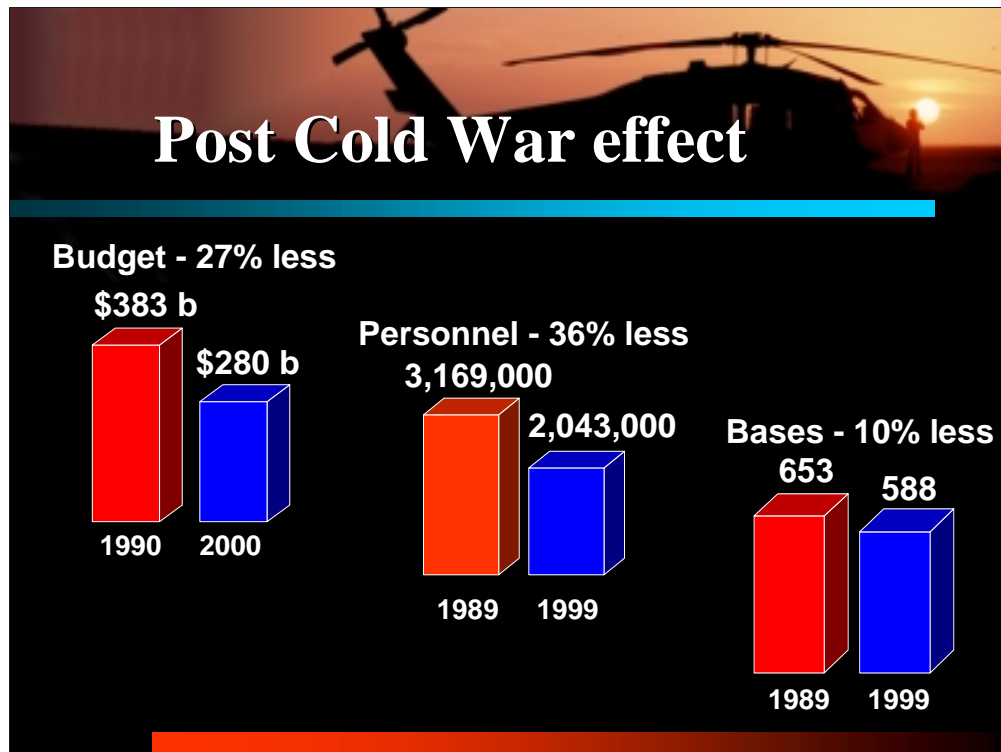


For more than 20 years the American people have consistently rated the U.S. military as the institution that holds their highest confidence. Although this confidence was convincingly reinforced by the decisive victory of Operation Desert Storm, very few realize that this battle was not won in a month. It was the culmination of decades of investment--in quality people and quality programs.

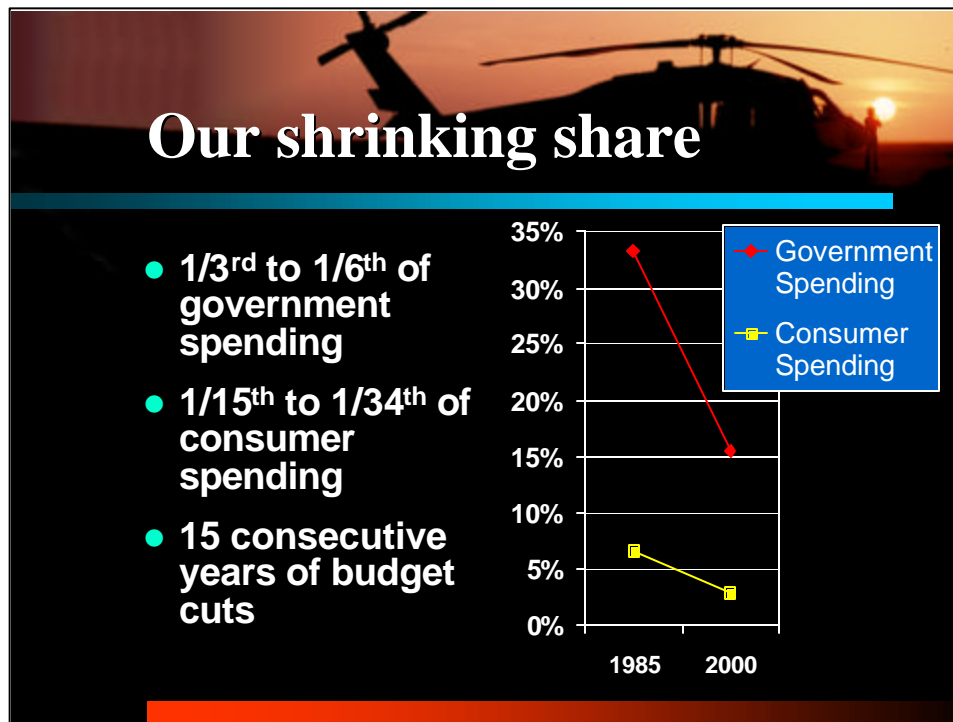




It costs a lot to run the nation's largest, busiest and -- we think -- most successful company. Our annual budget is approximately \$280 billion. About a half of that goes for salaries; one quarter for operating and maintaining our force, from bullets to butter; a sixth to buying materiel, everything from tanks to planes; and most of the last sixth to research and development.



The end of the Cold War has challenged us to do more with less, and we have met that challenge head on by effectively downsizing our personnel and redirecting our assets. In the last 10 years, we have lost a quarter of our budget and more than a third of our full-time positions but we've only closed 10 percent of our bases. That's why we need to cut even more infrastructure.



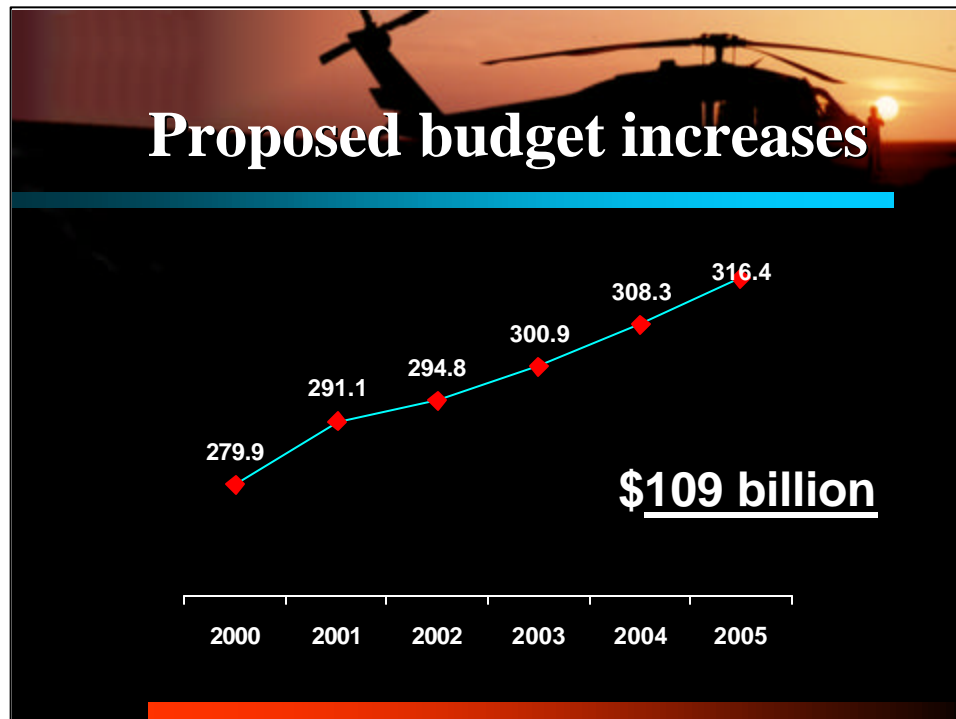
Since 1985 the Defense budget has been shrinking in terms of both government spending and the nation's wealth as measured by Gross Domestic Product.



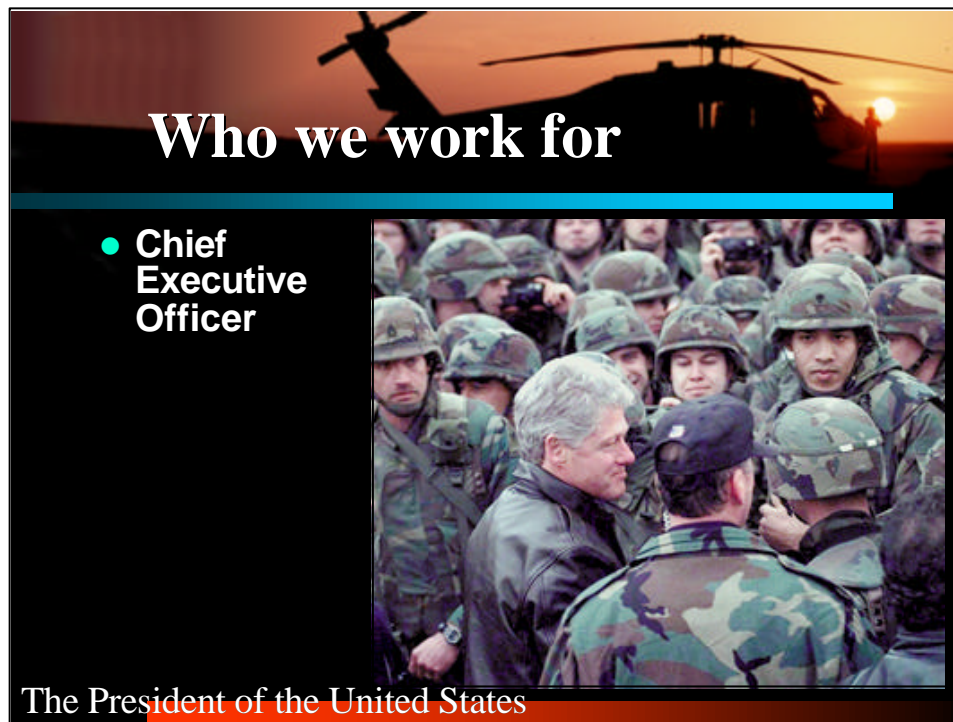
**Since 1989 these reductions equate to ...**

- **1,000,000 regulars and Reservists**
- **8 Army divisions**
- **7,800 main battle tanks**
- **960 combat aircraft**
- **211 strategic bombers**
- **450 long range ballistic missiles**
- **4 aircraft carriers**
- **42 submarines**

Our drop in spending is reflected in the forces we have lost since the end of the Cold War. Since 1989 we have decommissioned enough ships, stood down enough combat divisions and grounded enough flying units to make a formidable foe.



Because we can no longer do more with less, we have asked Congress to increase our budget by 109 billion over the next six years to improve the quality of life for our troops, to enhance our ability to rapidly deploy forces, and to modernize. Better pay for civilians, more base construction and more dollars for research are also part of this initiative.



Our chief executive officer is the President of the United States. He, along with the Secretary of Defense and the National Security Council, determine the security needs of the nation, and then take courses of action to ensure that they are met. The President, in his constitutional role as commander-in-chief of the armed forces, is the senior military authority in the nation and as such is ultimately responsible for the protection of the United States from all enemies, foreign and domestic.



As part of the Constitution's system of checks and balances, our budget must be approved by the U.S. Congress, which acts as our board of directors. We accomplish this by working with various committees of both houses, primarily those dealing with funding, military operations and intelligence. Their decisions affect our well being and range from setting civilian pay raises to funding major troop deployments.

# Who we work for

- Stockholders



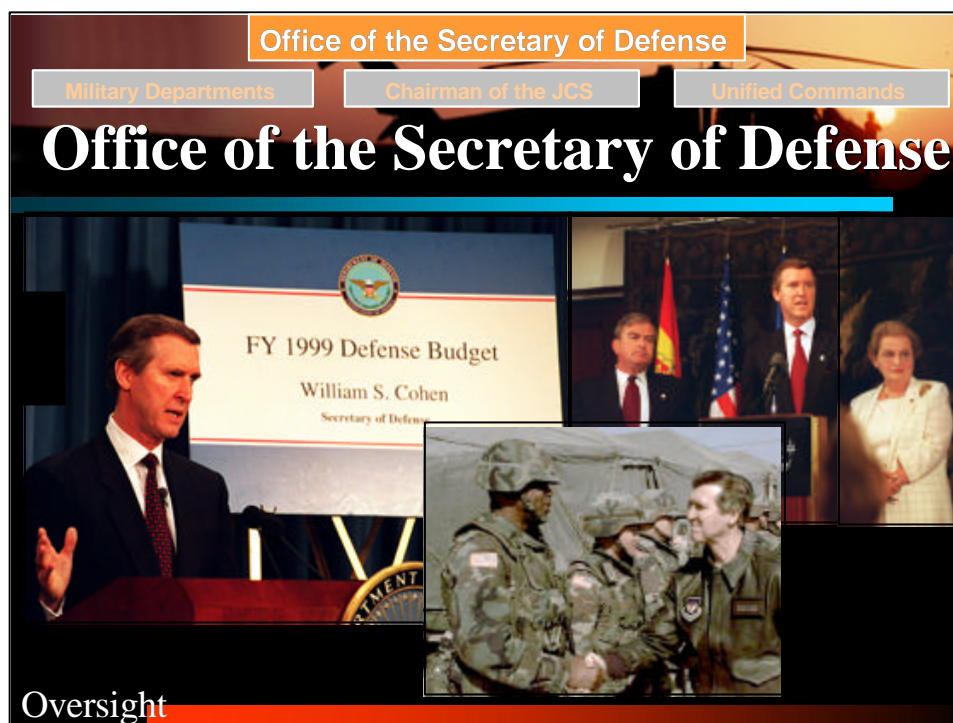
The American people

If the President is our CEO and the Congress is our Board of Directors, then our stockholders are the American people. And they know us pretty well since almost everyone's had a family member or buddy who used to -- or still does -- work for us. We exist to protect these citizen stockholders. Without their support we'd go out of business.

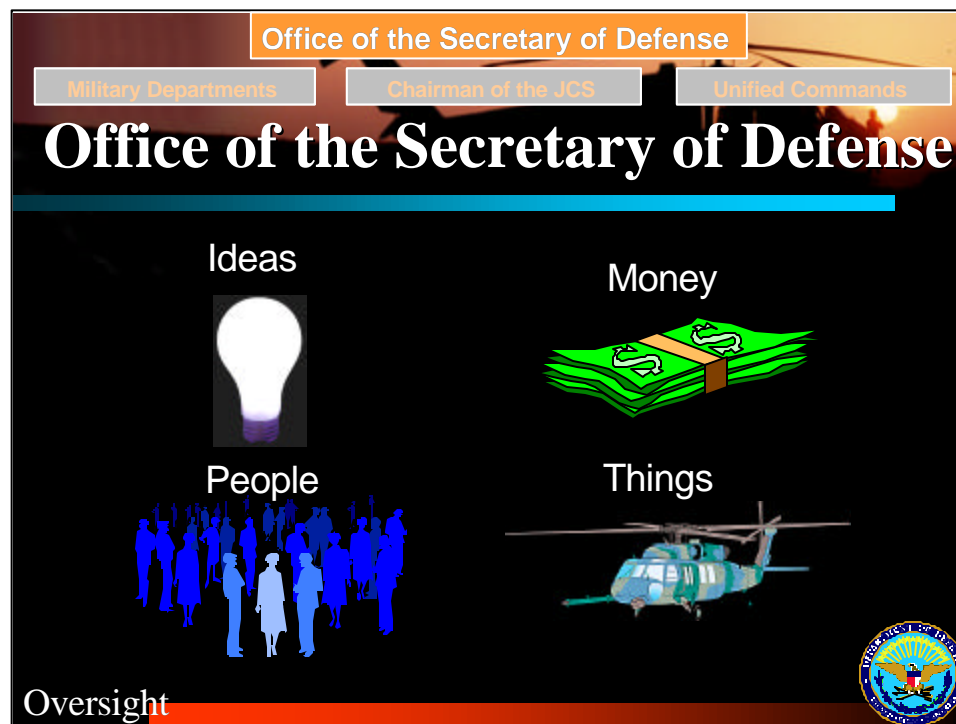




Directions for military operations emanate from the National Command Authority – a term used to collectively describe the President and the Secretary of Defense. The President, as commander-in-chief of the armed forces, is the ultimate authority. The Office of the Secretary of Defense carries out the Secretary's policies by tasking the military departments, the Chairman of the Joint Chiefs of Staff and the unified commands. The military departments train and equip their forces. The Chairman plans and coordinates deployments and operations. The unified commands conduct operations.



The Office of the Secretary of Defense helps the Secretary plan, advise and carry out the nation's security policies as directed by both the Secretary and the President.




The Secretary has four key “under secretaries” to help him in the critical areas of policy, finance, force readiness and purchasing. Basically, they manage ideas – money -- people -- and things.

Office of the Secretary of Defense


Military Departments    Chairman of the JCS    Unified Commands

# Policy


- Formulates national security/defense policy
- Integrates DoD policy and plans to achieve security objectives



Ideas



Our Senior Policy Advisor for “ideas” formulates national security/defense policy, and integrates and oversees DoD policy and plans to achieve national security objectives.



The slide features a header with the text "Office of the Secretary of Defense" in an orange box. Below this are three grey boxes: "Military Departments", "Chairman of the JCS", and "Unified Commands". The main title "Finance" is in large white font. Below it is a blue horizontal line. A bulleted list follows: "Budget and fiscal matters", "Program analysis and evaluation", and "Management improvement". An inset photo shows a meeting with a man pointing at a bar chart. The word "Money" is in the bottom left, and a stack of green bills is in the bottom right.


Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

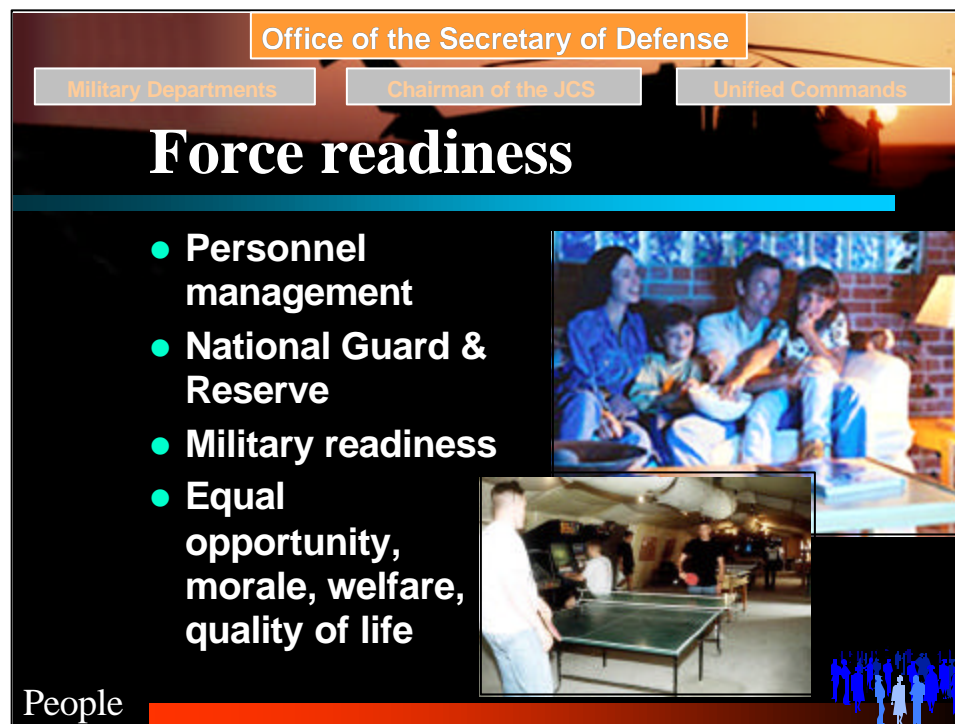
# Finance

- Budget and fiscal matters
- Program analysis and evaluation
- Management improvement

Money



Responsible for “money,” our Chief Financial Officer oversees our budgetary and fiscal operation, program analysis and evaluation, and general management improvement programs.






Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

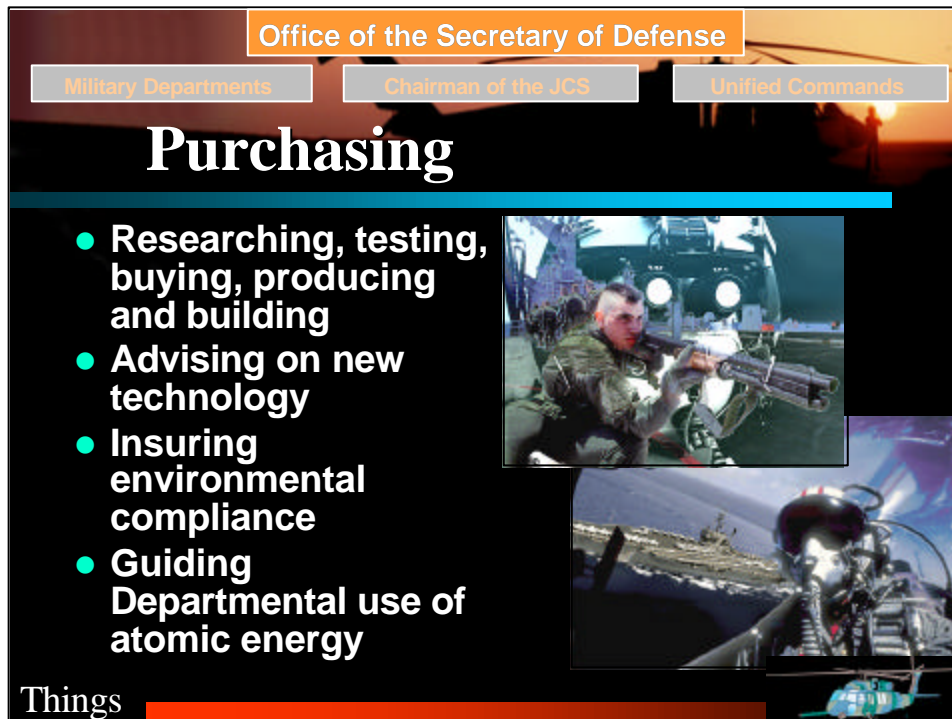
# Force readiness

- Personnel management
- National Guard & Reserve
- Military readiness
- Equal opportunity, morale, welfare, quality of life

People



As our Director for Force Readiness, our “people” person oversees readiness; the National Guard and Reserve; health affairs; training; and personnel requirements and management, including equal opportunity, morale, welfare, and quality of life issues.



Office of the Secretary of Defense

Military Departments Chairman of the JCS Unified Commands

# Purchasing

- Researching, testing, buying, producing and building
- Advising on new technology
- Insuring environmental compliance
- Guiding Departmental use of atomic energy

Things

As our Purchasing Director, our person in charge of “things” oversees all matters relating to buying, researching, testing, producing and moving things, advises on the use of new technology, protects the environment and controls the Department’s use of atomic energy.



We train and equip the armed forces through our three military departments -- the Army, Navy and Air Force. The Marine Corps, being mainly an amphibious force, is part of the Department of the Navy. The primary job of the military departments is to train and equip their personnel to perform warfighting, peacekeeping and humanitarian/disaster assistance tasks.



Office of the Secretary of Defense

Military Departments

Chairman of the JCS

Unified Commands

# Army

- Defend U.S. territory and any occupied areas
- Overcome any aggressor that imperils our nation's peace and security

Department of the Army

The Army's mission is to defend the land mass of the United States and its territories, commonwealths and possessions. Your Army is currently operating in more than 50 countries performing duties such as securing the South Korea border and keeping the peace in Kosovo.

Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

# Navy

- **Maintain, train and equip combat-ready Naval forces capable of winning wars, deterring aggression and maintaining freedom of the seas**



Department of the Navy

The U.S. Navy is America's forward deployed force and a major deterrent to aggression around the world. Our carriers are stationed in hotspots around the globe -- in the Far East, in the Persian Gulf, and in the Mediterranean Sea -- ready to provide a quick response to any crisis world-wide.

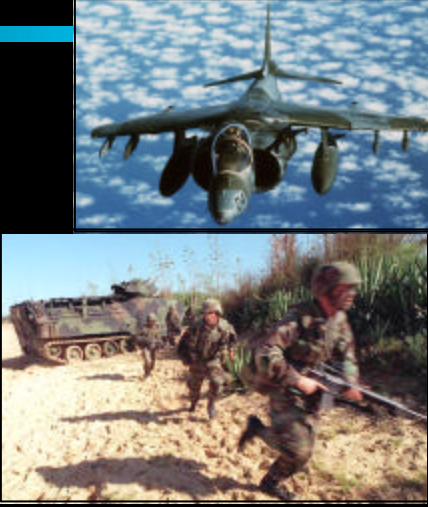
Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

# Marines

- **Maintain expeditionary forces in readiness**
- **Provide sea-based, integrated air-ground units for contingency and combat operations**
- **Suppress or contain international disturbances**

Department of the Navy

The image is a composite. The top right portion shows a green fighter jet, likely an F/A-18 Hornet, flying through a blue sky with scattered white clouds. The bottom right portion shows two Marines in full combat gear, including helmets and camouflage uniforms, moving through a dry, grassy field. One Marine is in the foreground, running towards the right, while another is slightly behind him. In the background, a military vehicle, possibly an amphibious tank, is partially visible.

The call “Send in the Marines!” has been sounded more than 200 times since the end of World War II, an average of once every 90 days. In 1999 alone, Marines provided humanitarian assistance to earthquake victims in Turkey, were among the first U.S. ground troops to enter Kosovo and formed the core of U.S. peacekeeping efforts in East Timor.



The graphic features a dark background with a sunset scene at the top. At the top center is a box labeled "Office of the Secretary of Defense". Below it are three boxes: "Military Departments" on the left, "Chairman of the JCS" in the center, and "Unified Commands" on the right. The title "Air Force" is prominently displayed in large white letters. Below the title, a blue horizontal bar separates the header from the mission statement. The mission statement, "Defend the United States through control and exploitation of air and space", is preceded by a green bullet point. To the right of the text are three images: a fighter jet in flight, a close-up of a wing, and a large transport aircraft on a runway with a group of soldiers in front of it. At the bottom left, there is an image of a rocket launch. The text "Department of the Air Force" is at the bottom left.

Office of the Secretary of Defense

Military Departments Chairman of the JCS Unified Commands

# Air Force

- Defend the United States through control and exploitation of air and space

Department of the Air Force

The Air Force provides America a rapid, flexible, and when necessary, a lethal air and space capability. It can deliver forces anywhere in the world in less than 48 hours. It routinely participates in peacekeeping, humanitarian, and aeromedical evacuation missions and is actively patrolling the skies above Iraq and Bosnia. Air Force crews annually fly missions into all but five nations of the world.

Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

## Guard & Reserve

- Wartime military support
- Humanitarian
- Peacekeeping
- Law enforcement assistance
- Disaster assistance



All military departments

Our active forces are supported by the world's premier military power multiplier, our National Guard and Reserve forces, who are taking on new and more important roles – both at home and abroad -- as we redefine our national military strategy. With personal ties to local communities, they are the perfect fit for these emerging missions.



Our Guardsmen and Reservists comprise half of our total uniformed force. They are your friends, neighbors and coworkers, who sacrifice a lot of their free time to help guard our freedom ...



Office of the Secretary of Defense

Military Departments Chairman of the JCS Unified Commands

## Guard & Reserve



All military departments

... something the National Guard has been doing since 1636, when the country's first militia units were organized in the Massachusetts Bay Colony.

Office of the Secretary of Defense

Military Departments    Chairman of the JCS    Unified Commands

# Coast Guard

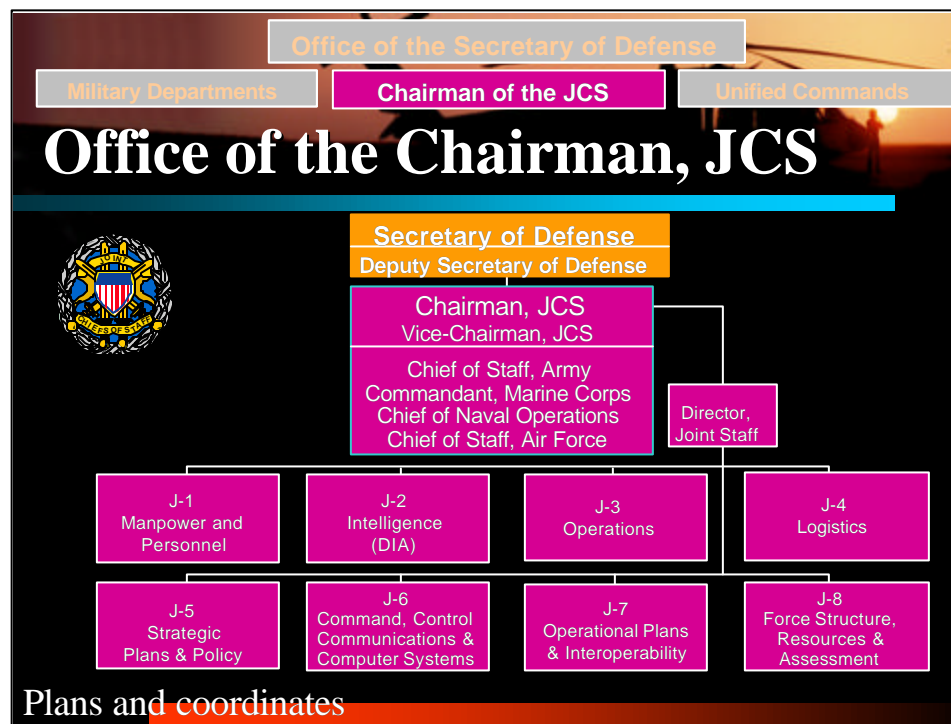
- Provide law enforcement, maritime safety, marine and environmental protection services and military naval support



Department of Transportation

The other sea service, the U.S. Coast Guard, belongs to the Department of Transportation during peacetime, but becomes part of the Navy during wartime. It provides unique and critical maritime support by patrolling our shores, performing emergency rescue operations, cleaning up oil spills, and keeping billions of dollars worth of illegal drugs from flooding American communities.



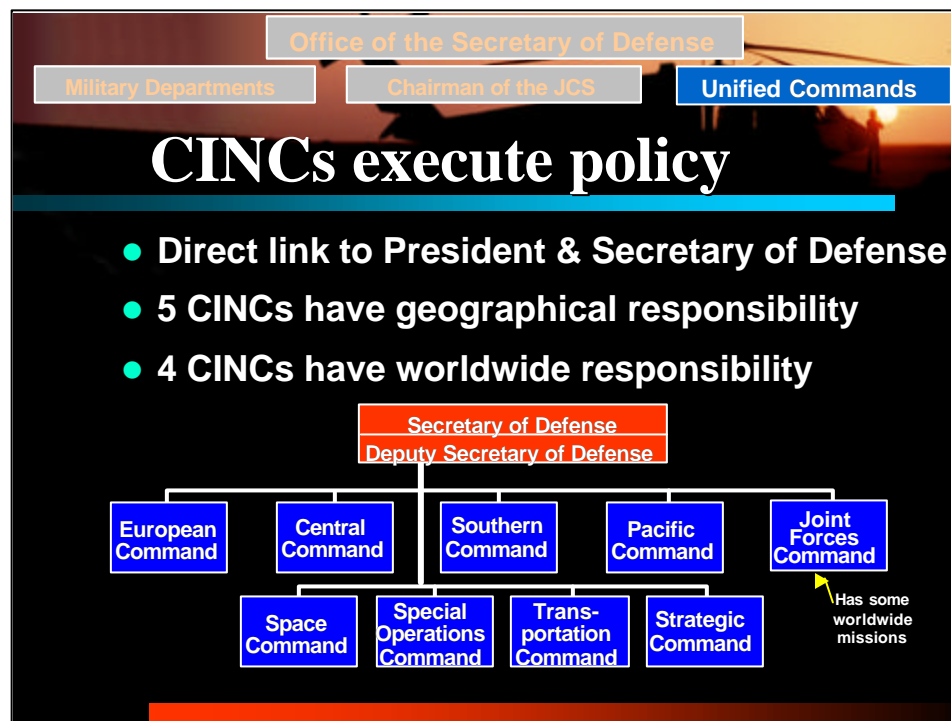


An all-service, or “joint” service office supports the Chairman of the Joint Chiefs of Staff in his capacity as the principal military advisor to the President, the National Security Council and the Secretary of Defense.

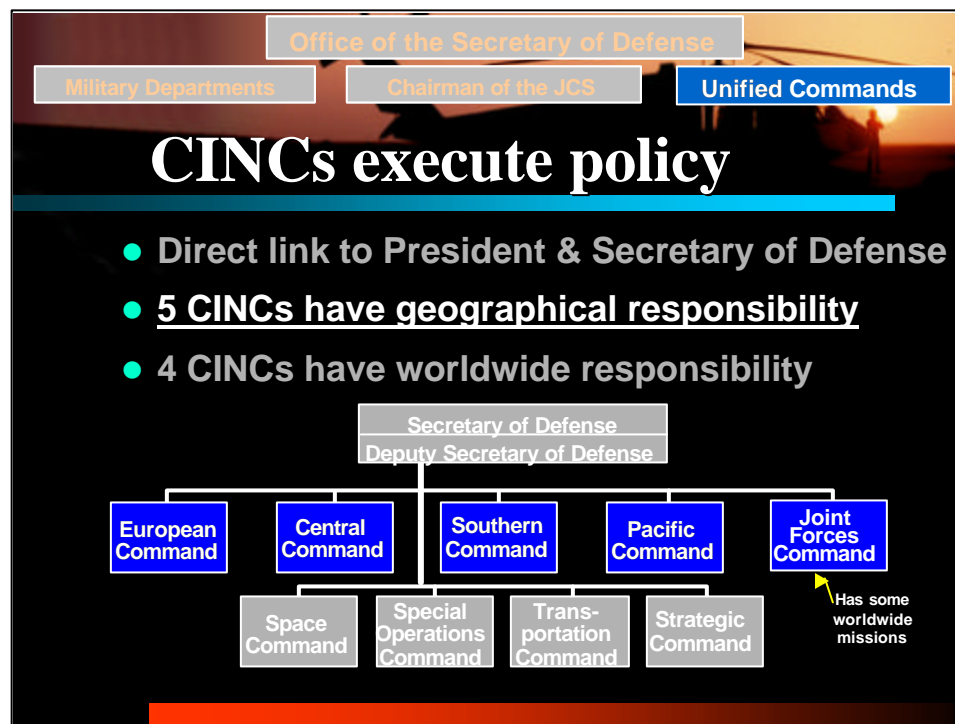
Its “board of directors” consists of the Chairman, his deputy, the Vice Chairman, and the four-star heads of the four military services.



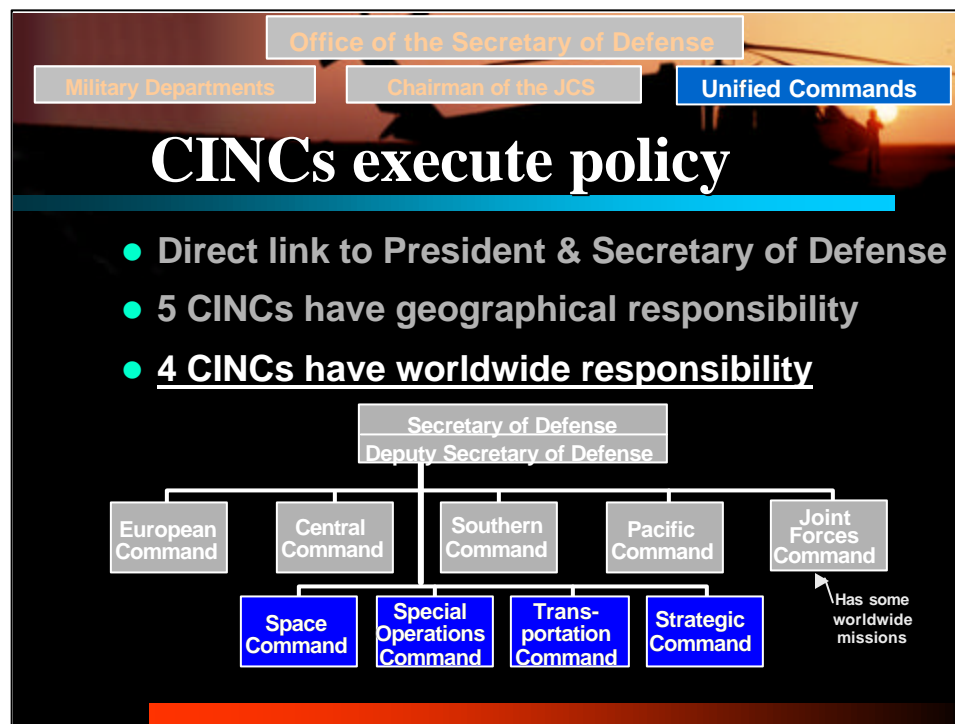
The Chairman plans and coordinates military operations involving U.S. forces and as such is responsible for the operation of the National Military Command Center, commonly referred to as the “war room,” from where all U.S. military operations are directed. He meets regularly with the four Service chiefs to resolve issues and coordinate joint service activities.



The Secretary of Defense exercises his authority over how the military is trained and equipped through the Service secretaries; but uses a totally different method to exercise his authority to deploy troops and exercise military power. This latter authority is directed, with the advice of the Chairman of the Joint Chiefs of Staff, to his nine unified commands, whose commanders-in-chief are commonly referred to as the "CINCs."



Five CINCs have geographic responsibilities.



Four have global responsibilities.



European Command is responsible for all U.S. military activities in Europe, most of Africa and Israel, Lebanon and Syria, and the South Atlantic Ocean.



Central Command oversees the balance of the Mid-East, parts of Africa and west Asia, and part of the Indian Ocean.



Southern Command guards U.S. interests in the southern hemisphere, including Central America, South America and the Caribbean.





Pacific Command covers 50 percent of the Earth's surface including Southwest Asia, Australia and Alaska.



The Joint Forces Command protects U.S. interests in the North Atlantic Ocean, Arctic Ocean and Greenland. In addition, it has worldwide responsibility for joint warfighting training and provides military support to weapons of mass destruction incidents within the continental United States, its territories and possessions.



The Office of the Chairman of the Joint Chiefs of Staff has oversight of all U.S. military matters in Russia, as well as any military issues involving our neighbors, Canada and Mexico.



The image is a graphic titled "Space Command" with a background of a satellite in space. At the top, it shows the "Office of the Secretary of Defense" in a grey box, with "Military Departments" in a grey box and "Chairman of the JCS" in a grey box below it. To the right, "Unified Commands" is in a blue box. The title "Space Command" is in large white letters. Below it, a list of four bullet points describes its mission. To the right of the list is a photograph of a satellite. At the bottom left, the text "Worldwide responsibility" is written in white on a red background.

Office of the Secretary of Defense

Military Departments

Chairman of the JCS

Unified Commands

# Space Command

- Launch and operate satellites
- Support joint-service military forces worldwide with intelligence, communications, weather, navigation, and ballistic missile attack warning information
- Engage adversaries from space
- Assure U.S. access to and operation in space, and deny enemies that same freedom

Worldwide responsibility

Space Command is responsible for controlling space, including what goes up and what comes down.

Office of the Secretary of Defense

Military Departments Chairman of the JCS Unified Commands

# Special Operations Command

- Provide counter-paramilitary, counter-narcotics, guerilla, psychological warfare, civil education, and insurgency capability in support of US national and international interests

Worldwide responsibility



Special Operations Command is responsible for special military support.

Office of the Secretary of Defense

Military Departments Chairman of the JCS Unified Commands

# Transportation Command

- Provide air, land and sea transportation for the Department of Defense in time of peace and war



Worldwide responsibility

Transportation Command moves things and people around the world.



The graphic features a background image of a sunset over a body of water. At the top, a hierarchy of boxes is shown: 'Office of the Secretary of Defense' (orange), 'Military Departments' (light blue), 'Chairman of the JCS' (light blue), and 'Unified Commands' (dark blue). Below this, the title 'Strategic Command' is prominently displayed in white serif font. To the left of the title, two bullet points are listed in white text on a black background. To the right, two images are stacked: the top one shows two personnel in a control room, and the bottom one shows a B-2 bomber in flight. At the bottom left, the text 'Worldwide responsibility' is written in white on a red background.

Office of the Secretary of Defense

Military Departments

Chairman of the JCS

Unified Commands

# Strategic Command

- Deter military attack on the United States and its allies, and should deterrence fail, employ forces so as to achieve national objectives
- Deter/control nuclear forces

Worldwide responsibility



Strategic Command deters conventional and nuclear attack on the U.S. and its allies. Its forces include land-based and sea-based nuclear assets.

## What we do

- Warfighting
- Humanitarian
- Peacekeeping
- Evacuation
- Disaster assistance
- Law enforcement assistance

The collage consists of four photographs. The top-left photo shows a soldier in full combat gear, including a helmet and camouflage, running through a field. The top-right photo shows a soldier in a military uniform and helmet, wearing a stethoscope, attending to a young child. The bottom-left photo shows a soldier in a military uniform and helmet, interacting with a group of children. The bottom-right photo shows a soldier in a military uniform and helmet, standing in a field with a vehicle in the background.

We are warfighters first and as such have no peers. And with the same dedication and patriotism we are proud to be performing a variety of other very important missions for the American people and our allies around the world. Whether it's saving lives, protecting property or keeping the peace, the U.S. military stands at the ready to keep America strong and free.



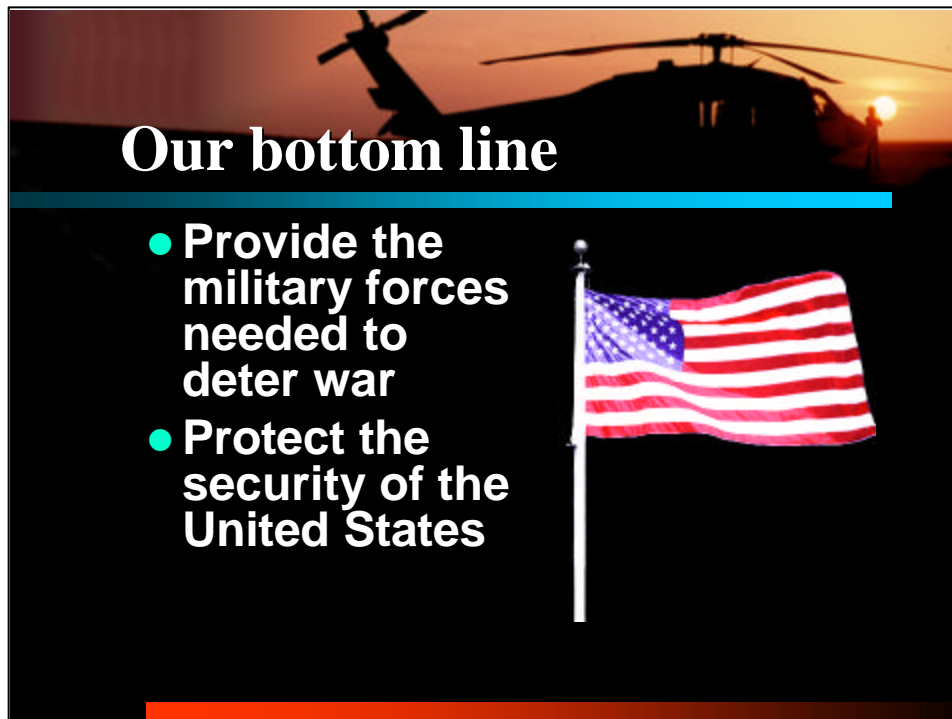


## Our most important resource

- It's not tanks, planes or ships, it's ...

# people

We have never-- and will never -- compromise on the quality of our most important resource. It is not tanks, planes or ships, but people. People who have chosen to serve you and serve the nation. They are your sons and daughters, brothers and sisters, husbands and wives, people of whom we can be very proud. These are the best of America.



Everything we do supports our primary mission -- to provide the military forces needed to deter war and to protect the security of the United States. Nothing less is acceptable to us, or to the American people. This is our bottom line.



## The Department of Defense

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